

Shea Kernel Supply Chain and Suppliers Relationships in Rural Borgu, Niger State, Nigeria

Sidikat Shitu¹ & Rohaya Mohd-Nor²

¹PhD Candidate, Faculty of Economics and Business, Universiti Malaysia Sarawak

²Associate Professor, Faculty of Economics and Business, Universiti Malaysia Sarawak

Abstract: *This paper explores the roles of strong suppliers in shea kernel supply chains and the impact of their roles on the livelihood of weak suppliers (rural women) who are engaged in shea nut picking and processing. In the last few years, the media recognised that the Nigerian shea butter industry is not fully regulated, and it is confronted with a lot of sustainability challenges. While there is a call on the relevant stakeholders to take responsible action such as public enlightenment and reshaping of the supply chain network. The mechanisms that supports and create connections for actors involved in the supply chain is not very clear and as such the measures taken by the stakeholders to curb the menace seems not to hit the target. Furthermore, the negative effect of these activities on the weak suppliers seems to be greatly ignored. Therefore, studying the relationships between the strong and weak suppliers defines the specific roles of actors involved in shea kernel trade: More specifically, the local buying agents (LBAs) who create and hold the link to the broader domestic and export supply chain are studied.*

Research Question: *What is the nature of the relationship between the strong and weak suppliers in shea kernel supply chains?*

Methodology: *This study utilized qualitative case study design, a five-month fieldwork was conducted in the rural communities of Borgu, Niger State, Nigeria. We used various approaches to obtain data such as semi-structured interviews, focus group discussions, review of policy documents, articles published by the media and participant observation. The result revealed that the LBAs with a group of few buying companies benefit from the supply chain,*

while the expectation of the weak suppliers (rural women) to benefit profitably is not guaranteed.

Keywords: *Strong Suppliers, Weak Suppliers, Local Buying Agents, Rural Women, Supply Chain, Relationships, Sustainability.*

(1) Introduction

The solution to the exploitation of the weak suppliers (rural women) and the smuggling of shea kernel for export lies within the collaborative efforts of the stakeholders involved in the shea butter industry, the public authorities, the non-governmental organizations, the private sector and the community stakeholders. The anti-smuggling plan has been a top agenda on the Niger state government shea sector development plan in collaboration with the Nigerian customs service (Kontagora, 2012). Also the federal government of Nigeria has also declared that, illegal exportation of shea kernel out of Nigeria is a pressing issue for growth and development. Research revealed that Nigeria lost about ₦3billion yearly to shea kernel and butter smuggling through Benin Republic. In 2012, the Niger State Commodities and Export Promotion Agency admit that the current effort in curbing the menace has failed woefully (Kontagora, 2012). In line with this, the agency in 2012 collaborated with Global Shea Alliance and GIZ to provide alternative ways to innovate the industry (GSA, 2012). Various strategies are collectively advocated by the stakeholders involved to check those illegal activities: first, community empowerment; second, implementation and enforcement of legal instruments, third, collaborations among various actors. While these strategies are very much welcomed, very little is known about how these strategies will impact on the local communities and the rural women who are the weaker suppliers in the supply chain.

This paper explores the role of the strong suppliers (specifically the local buying agents (LBAs), that link the weak suppliers to the buying companies) and the effect of their activities on the livelihood of the rural women who are engaged in shea nut picking and shea butter processing. It is evident that the local buying agents play both positive and negative roles in the shea butter industry. We argue that the LBAs characteristics have repercussions on the livelihood of the people living in the local